

Message Text

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INFO AMCONSUL BRISBANE

AMCONSUL MELBOURNE

AMCONSUL PERTH

AMCONSUL SYDNEY

AMEMBASSY PAIRS

AMEMBASSY TOKYO

AMEMBASSY WELLINGTON

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E.O. 11652: N/A

TAGS: ELAB, AS

SUBJ: JUNE UNEMPLOYMENT STATISTICS - NO IMPROVEMENT

REF: CANBERRA 3811, 2758, 2682, 5249, 1051, 2186 AND 4680

1. SUMMARY: THE UNEMPLOYMENT SITUATION REMAINED VIRTUALLY UNCHANGED BETWEEN MAY AND JUNE ACCORDING TO STATISTICS RELEASED BY THE AUSTRALIAN BUREAU OF STATISTICS, (ABS) ON JULY 14. THE NUMBER OF PEOPLE LOOKING FOR FULL TIME WORK FELL BY ABOUT 400 DURING THE MONTH TO AN ESTIMATED 331,200. THE NUMBER LOOKING FOR PART-TIME WORK FELL BY ABOUT 2,000 TO 61,700. THE FALL IN THE NUMBER OF FULL TIME UNEMPLOYED WAS TOO SMALL TO AFFECT THE RATE WHICH REMAINED AT 6.1 PERCENT OF THE FULL TIME LABOR FORCE. PART-TIME UNEMPLOYMENT FELL MARGINALLY FROM 6.5 TO 6.3 PERCENT OF THE PART-TIME LABOR FORCE. OVERALL, THE FALL IN BOTH FULL AND PART-TIME UNEMPLOYMENT WAS SOME 2,400 - FROM 395,300 TO 392,900 - AND FROM A RATE OF 6.2 PERCENT TO 6.1 PERCENT DURING THE MONTH. END OF SUMMARY.

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2. THE UNEMPLOYMENT SITUATION CHANGED VERY LITTLE DURING JUNE. STATISTICAL DATA RELEASED BY BOTH THE ABS AND THE COMMONWEALTH EMPLOYMENT SERVICE, (CES) CHANGED VERY LITTLE DURING JUNE. ABS SHOWED AN OVERALL DROP FROM 395,300 TO 392,900 - AND FROM A RATE OF 6.2 PERCENT TO 6.1 PERCENT DURING THE MONTH. THE NUMBER OF PEOPLE REGISTERED WITH THE CES INCREASED BY 1,700 TO REACH 393,800,

BUT LEFT THE RATE OF UNEMPLOYMENT UNCHANGED AT 6.1 PERCENT OF THE WORK FORCE.

3. THE NUMBER OF PEOPLE WHO ARE COLLECTING UNEMPLOYMENT COMPENSATION ROSE 13,707 TO 286,901 BETWEEN MAY AND JUNE.

4. THE DEPARTMENT OF EMPLOYMENT AND INDUSTRIAL RELATIONS HAS ALSO ADDED TO THE GLOOM BY FORECASTING A SHARP RISE IN UNEMPLOYMENT TO AS MUCH AS 500,000 BY JANUARY. THIS FORECAST WAS DISCUSSED AT A MONTHLY BRIEFING OF THE MINISTER OF EMPLOYMENT AND INDUSTRIAL RELATIONS, MR. ANTHONY STREET ON JULY 19.

5. THE FORECAST, ACCORDING TO THE CANBERRA TIMES, IS A GLOOMY ONE. IT CONTAINS A RANGE OF UNEMPLOYMENT LEVELS ALL UP ON MONTHLY FIGURES DURING 1978. THE ANALYSIS OF THE ECONOMY SEES NO MARKED UPTURN ACTIVITY BEFORE SCHOOL LEAVERS ENTER THE JOB MARKET IN EARLY NOVEMBER. THIS WILL CAUSE A SHARP RISE FROM THE PRESENT 392,900 TO 6.1 PERCENT OF THE LABOR FORCE. THE GOVERNMENT AGENCY SEES THE INFUX OF SCHOOL LEAVERS BOOSTING NEXT JANUARY'S UNEMPLOYMENT ABOVE THE 445,000 RECORDED FOR LAST JANUARY.

6. THE LEADERS OF THE FEDERAL OPPOSITION, MR. WILLIAM HAYDEN, HAS ACCUSED THE GOVERNMENT OF A CAMPAIGN OF DECEIT OVER UNEMPLOYMENT. MR. HAYDEN SAID IT WAS THE PRIME MINISTER WHO, DURING THE ELECTION CAMPAIGN LAST NOVEMBER, INSISTED THAT UNEMPLOYMENT WOULD BEGIN TO FALL FROM FEBRUARY ON. "EITHER THE PRIME MINISTER LIED, OR HIS UNCLASSIFIED

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GOVERNMENT IS INCOMPETENT," MR. HAYDEN SAID.

7. PRIME MINISTER FRASER, HOWEVER, CLAIMS HE HAS NOT SEEN THE DEPARTMENT OF EMPLOYMENT'S PROJECTIONS. BUT HE CONTINUES TO BLAME UNEMPLOYMENT ON HIGH WAGE RATES. IN SPITE OF THE GOVERNMENT'S AGREEMENTS BEFORE THE ARBITRATION COMMISSION, AVERAGE EARNINGS CONTINUE TO RISE AT A GREATER RATE THAN THE CONSUMER PRICE INDEX. HE ALSO CONTINUES TO ATTACK SECTIONS OF THE UNION MOVEMENT, PARTICULARLY IN THE BUILDING AND TRANSPORT INDUSTRIES (WHICH ARE UNDER CONSIDERABLE LEFT-WING INFLUENCE) AS MAKING THE JOB OF GETTING BACK TO BETTER EMPLOYMENT VERY DIFFICULT. HE REFUSES TO COMMENT ON HIS NOVEMBER PREDICTIONS.

8. THE OPPOSITION SPOKESMAN ON SOCIAL SECURITY, SENATOR DON GRIMES, ALSO TORE INTO THE PRIME MINISTER. HE SAID INTER ALIA THAT (1) UNEMPLOYMENT HAS RISEN 50 PERCENT SINCE THE FRASER GOVERNMENT CAME TO POWER IN NOVEMBER OF 1975, BUT THERE HAS BEEN NO SIGN OF CONCERN THAT MALCOLM FRASER USED TO VOICE SO OFTEN WHEN HE WAS SHADOW MINISTER OF LABOR IN 1974. (2) THE AVERAGE UNEMPLOYED PERSON NOW WAITSIWYMO WEEKS BEFORE HE OR SHE FINDS WORK. (3) MORE THAN 36,000 PEOPLE ON UNEMPLOYMENT BENEFITS HAVE BEEN OUT OF WORK MORE THAN A YEAR. (4) THERE ARE 23 PEOPLE REGISTERED FOR EACH

JOB VANCANCY, MORE THAN DOUBLE THE NUMBER TWO YEARS AGO.

9. ROBERT HAWKE, THE PRESIDENT OF THE AUSTRALIAN COUNCIL OF TRADE UNIONS (ACTU), ON JULY 20 DESCRIBED THE DEPARTMENT OF EMPLOYMENT'S PROJECTIONS AS A STARK GOVERNMENT ADMISSION THAT EMPLOYMENT PROSPECTS WOULD NOT IMPORVE IN THE FORESEEABLE FUTURE. MR HAWKE ALSO SAID AUSTRALIA NOW FACED AN HISTORIAL HIGH IN THE RATIO OF UNEMPLOYED TO JOB VACANCIES - THERE WERE 23 UNEMPLOYED PEOPLE FOR EVERY NOTIFIED VACANCY. "THE FUNDAMENTAL PROBLEM WE HAVE IN THE AUSTRALIAN COMMUNITY AT THE MOMENT IS THAT THIS GOVERNMENT HAS DELIBERATELY REFUSED TO TAKE THE PEOPLE INTO ITS CONFIDENCE IN THE TERMS OF PUTTINGTHE FACTS ON THE TOP OF THE TABLE," HE SAID. "WE HAVE PROBLEMS NOW IN THE COMMUNITY OF A DIMENSION THAT WE HAVE NEVER FACED AS AN AUSTRALIAN SOCIETY". "YOU ARE ONLY GOING TO BE UNCLASSIFIED

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ABLE TO DEAL WITH THOSE PROBLEMS IF THE FACTS ARE KNOWN, AND PUT FORWARD STRAIGHT FORWARDLY", SAID MR. HAWKE. ALSTON

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